

A photograph of two women in a meeting room. One woman, wearing a white polka-dot blouse, is leaning over a table and pointing at a document. The other woman, wearing a dark sleeveless top, is looking at the document. In the background, there is a whiteboard with some faint writing and a window. The scene is brightly lit, suggesting a professional office environment.

# Force multipliers

How three fundamental adaptations can help women entrepreneurs scale big



Building a better  
working world

# Results and impact

of the North American EY Entrepreneurial Winning Women™ program

# 54%

Participant companies' total 2014 revenue was 54% higher than their total revenues in the years before they joined the program.



Year 1



Year 2

Individual participants average 20% revenue growth annually. In the second year of participation, revenue growth can be up to 50%.

## 92%

report an increase in their desire to grow the business.

## 88%

report an increase in their self-confidence as an effective leader and capacity to grow the business.

## 76%

say they're now thinking bigger and setting higher company growth goals. Many think up to 200% annual growth is possible.



## 70%

say that the program has made them feel more supported and connected.

## 79%

say the program has expanded their professional networks.

## 65%

report the program positively impacted the media visibility of their business.

# Top 2%

Participants are in the top 2% of women entrepreneurs in terms of revenue.



## \$10m+

# 50%

with \$10m+ in revenues ...



# The scale-up agenda

You've followed your own path and nurtured your company from a tiny seed to a flourishing business. Now you're working toward much more expansive growth. So much has changed since your start-up days. What can help you next?

There is no doubt: women entrepreneurs are a powerful economic force. In the US, they start businesses at 1.5 times the rate of men and are at least half-owners of 46% of privately held firms. In 2015, the number of enterprises with full or partial female ownership was expected to increase by nearly 7% with sales growing to reach \$2.967 trillion, representing nearly 18% of projected GDP in 100 countries, as measured by the World Bank.

And yet, only 2% of women-owned businesses in the US break \$1 million in revenue (and an even smaller percentage in Canada), let alone scale up really big. In contrast, businesses owned by men are 3.5 times more likely to reach that \$1 million threshold.<sup>1</sup>

Women-owned businesses currently employ 7.8 million workers in the US and generate \$1.3 trillion in revenue.<sup>2</sup> In Canada, it's estimated that a 20% increase in total revenues for this group would contribute an additional C\$2 billion to the Canadian economy.<sup>3</sup>

Now imagine the economic impact of women-led companies if they regularly grew to scale. The question is: **What's stopping them?**

"Our program helps bridge the gap for an area we call 'the missing middle' – those second-stage women business owners whose companies have emerged from the start-up phase but face a crucial inflection point in their growth journey. By providing the right information, networks and guidance, we're able to help these talented women access capital, identify strong business advisors and put the processes in place to radically expand their companies."

**Kerrie MacPherson**

EY Entrepreneurial Winning Women  
Executive Sponsor

“It’s time to focus on growing the companies already launched by ambitious, savvy women entrepreneurs. And notwithstanding the resources and connections they all need to scale, we also need to give them access to one another. At that point, the sky’s no limit to what they can accomplish, individually and together.”

**Lisa Schiffman**

EY Americas Director, Brand, Marketing and Communications, Strategic Growth Markets

**Overcoming the barriers to growth**

Through the past nine years of the EY Entrepreneurial Winning Women™ program, EY has gained a unique understanding of women entrepreneurs and how to help them succeed. This competition and executive education program identifies a select group of women entrepreneurs in the US and Canada whose businesses show real potential to scale – and then helps them do it. The program’s impact on growth and leadership development has led to its expansion to help women entrepreneurs scale in dozens of countries around the world.

In addition to offering our own advice and counsel, the program introduces participants to an influential network of entrepreneurs, corporate leaders, investors and advisers, as well as potential partners, strategic alliances, customers and

suppliers. It’s accelerated access that typically takes years to achieve, if it is achievable at all. And, together with strategic business counsel, it really makes an impact.

In the program’s nine years, we’ve helped more than 80 participants grow their companies – averaging approximately 20% revenue growth annually. In the second year of participation in the program, when they are really beginning to internalize the information and connect with the new contacts they’ve made, revenue growth can be up to 50%.

This is especially impressive when you consider these companies are already in the top 2% of women-led businesses in terms of sales (and half have revenues of more than \$10 million).



45%



report it is easier to raise funds after being selected for the program.

### Scaling big: three force multipliers for growth

Because women entrepreneurs are prone to underestimating what they can accomplish, our advice starts with “think big and be bold.” As Sherry Stewart Deutschmann, Founder and CEO of LetterLogic, told us recently, “It was through the program I realized I had a company that could easily be a \$100 million company, and beyond. On my way!”

Additional guidance we’ve developed – our “5 Ways to Win” – counsels the entrepreneurs to take action in four other areas: building a public profile, working on the business rather than in it, establishing key advisory networks and evaluating financing for expansion.

While these steps are proven and necessary, three new and noteworthy force multipliers are also contributing significantly to accelerated growth in these women-led companies:

1. **A strong community.** Communities offer women entrepreneurs much-welcomed affirmation, know-how, peer-to-peer guidance and, ultimately, role models.
2. **An authentic purpose.** This simple statement of “why we do what we do” serves as the company’s North Star, guiding it in every aspect – from recruitment to customer management to product development and sales.
3. **A flexible, adaptive leadership style.** When a company grows, its leader needs to evolve, too. A small start-up requires different characteristics in its leader than a 100- or 1,000-person company. Entrepreneurs need the self-awareness to know when they need to change their focus, and how.

In the following pages, you’ll find insight and concrete guidance on harnessing the power of purpose, engaging in community and transforming one’s leadership style, told through the experiences of the Entrepreneurial Winning Women as well as our observations as the world leader in advising, guiding and recognizing entrepreneurs.

We also share new survey data on the program, developed and gathered by the Babson College Center for Women’s Entrepreneurial Leadership, and advice from other experts in entrepreneurship, entrepreneurial finance and leadership. Coupled with the “5 Ways to Win,” these three force multipliers offer signposts and a much-needed guidebook for women entrepreneurs on the journey to scaling big.



# 1. The kinship of community spurs growth

## The high-growth multiplier

Between 1997 and 2015, when the number of businesses in the US increased by 51%, the number of women-owned firms increased by 74% – a rate 1.5 times the national average.<sup>4</sup> This suggests that for some women, there’s another force at work – something they gain that fuels their passion and sharpens their focus on accelerating growth. What is it, and how does it contribute to scaling big?

### On the same path

In the “5 Ways to Win,” we advise women entrepreneurs to think big and be bold. For many, that starts with the confidence to push boundaries to realize the full potential of their companies – confidence reinforced in a community of peers like Entrepreneurial Winning Women.

What do we mean by community? It is a group of like-minded people inspiring, helping, encouraging and pushing one another to accomplish more as entrepreneurs and business leaders. “Communities are crucial to the success of all entrepreneurs for so many reasons: information flow, access to resources and general support and counsel,” says Pat Hedley, Managing Director of General Atlantic, a leading global growth investment firm. “Since women entrepreneurs are still fewer in number to men, building a network that can be such a community should be a high priority.”

What’s the advantage of finding community? The first benefit is the removal of self-imposed limits on what you can accomplish. For example, 76% of participants said they’re thinking bigger and setting higher company growth goals than their initial 30% to 50%. With increased confidence and momentum, many think up to 200% annual growth is possible. As Julia Beardwood, Founder, Beardwood&Co, says, the program has given her “the confidence to be bold and grow fast.”

“I am so grateful the EY Entrepreneurial Winning Women program has given me: access to people and resources I never had, public visibility beyond my wildest imagination and a caring community that makes me feel truly supported,” says Nikki Barua, CEO of BeyondCurious. “The impact was immediate and transformative. My purpose is to unlock human potential and this program has unlocked mine!”

40%



say they are now actively seeking outside funding to grow.



### **Encourage. Collaborate. Cross-pollinate.**

Hand in hand with role models, women entrepreneurs need peers. Sharing encouragement and ironing out issues with like-minded leaders means more, because it's coming from people who appreciate where you've been and where you're trying to go. As much as top-tier advice and direct access matter, so do relationships with true entrepreneur peers who share your goals, challenges, rewards and values and are ready to counsel on a problem or celebrate a big win.

"I didn't realize until I joined Entrepreneurial Winning Women that I had become so isolated in my company and in my role," says Dr. Rebecca Thomley, President and CEO of Orion Associates. "While I am surrounded by wonderful colleagues, the Entrepreneurial Winning Women share a history of leadership and responsibility for creating and maintaining jobs, morale and increasing the knowledge base of our staffs as times and circumstances change. While we all come from different backgrounds and run very different businesses, we are peers."

We've also seen how this community enables participants to shorten learning curves, gain insight into tough business problems, collaborate and create valuable business partnerships. "Women-led and -owned businesses can have difficulty finding access to new markets for products and services," says Dr. Marsha Firestone, President and Founder of the Women Presidents' Organization. "The community offers the opportunity to share resources, such as identifying new markets, access to credit and exchanging business ideas."

"It is incredibly valuable to know that I have opportunities to talk through a business issue with women who may have encountered similar circumstances, or whose backgrounds might be helpful," says Dr. Thomley. "I have utilized the services of several of the women in the group. We are resources to each other."

**"It is incredibly valuable to know that I have opportunities to talk through a business issue with women who may have encountered similar circumstances, or whose backgrounds might be helpful."**

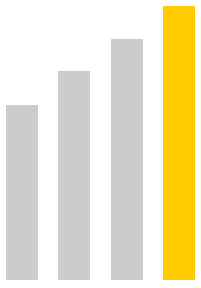
**Dr. Rebecca Thomley**

President and CEO, Orion Associates, Class of 2011

Phyllis Newhouse, President and CEO of Xtreme Solutions, Inc., agrees, saying that as a company scales, "rather than pursue career contacts ... you are more concerned about finding worthy mentors and colleagues on the same path. That is an evolutionary process enhanced by high-level connections that have probably gone beyond what could have been imagined."

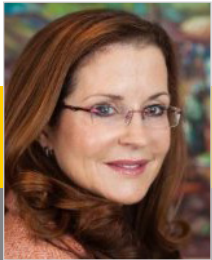
### **See it to be it**

What women in the Entrepreneurial Winning Women program tell us again and again is that up until now, they have toiled mostly alone. Role models – women starting and leading multi-hundred-million-dollar companies – are very hard to find. And women starting businesses crave those role models. In a recent study, 83% of potential Canadian women entrepreneurs said that having access to role models or mentors makes the difference in their success as business owners.<sup>5</sup> Seeing someone who is like you succeed is incredibly powerful, inspiring women entrepreneurs to believe in their own abilities and potential.



# 57%

increase in the number of women-owned businesses in the US with \$10 million or more in revenue since 2002.



Practical advice

## How to build community

Dr. Susan Duffy, Executive Director, Center for Women's Entrepreneurial Leadership, Babson College

*There are many great organizations in the entrepreneurial ecosystem that can help you start to build your community, from chambers of commerce to programs like Entrepreneurial Winning Women. Where do you start? We turned to Dr. Susan Duffy, Executive Director of Babson College's Center for Women's Entrepreneurial Leadership, for tips on finding a community that fits you:*

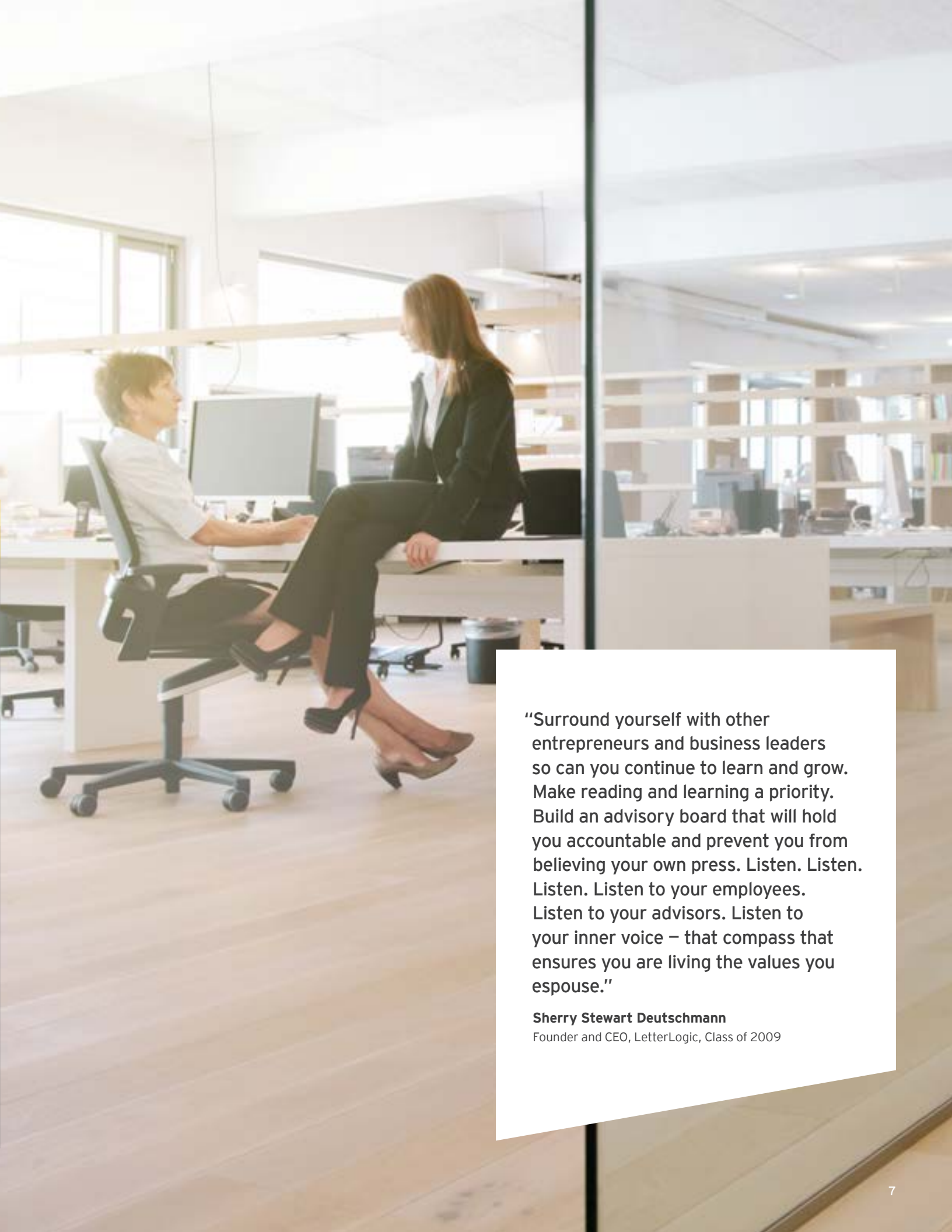
1. **Be strategic.** You can't be a member of every community, and you're not a fit in all communities. Use your networks to find out which might be of interest to you, then try them on for size. Test them out, and don't feel you have to commit just because you went to one event or paid your dues. If it doesn't fit, it doesn't fit.
2. **Think long term.** Ask yourself: Does this community have interesting people who could be potential customers, suppliers, board members or experts? Do they offer access to new circles? Do they have speaking opportunities that could raise your public profile?
3. **Avoid all-or-nothing thinking.** Entrepreneurs are always short on time. Don't be afraid to engage in a way that works for you, and that works for other people when you're there. You may only go once a quarter, but when you go, deliver value by bringing useful conversation and connections to the people you meet.
4. **Value your contributions.** If you're not there for every meeting, you may wonder what you bring to the table. Simple – it's you. It's your expertise. It's your experiences. It's your unique point of view – and giving others access to those things through conversation.

5. **Make sure your communities are diversified.** Women's communities are important, but they're not the only game in town. Perhaps an industry community or local economic development community makes more sense for you.

A network is transactional. You need to build that network in order to get from point A to point B. Community is that secret sauce of when you feel you belong, and you're getting what you need from the context that you're in.

**“A network is transactional. You need to build that network in order to get from point A to point B. Community is that secret sauce of when you feel you belong, and you're getting what you need from the context that you're in.”**





“Surround yourself with other entrepreneurs and business leaders so can you continue to learn and grow. Make reading and learning a priority. Build an advisory board that will hold you accountable and prevent you from believing your own press. Listen. Listen. Listen. Listen to your employees. Listen to your advisors. Listen to your inner voice – that compass that ensures you are living the values you espouse.”

**Sherry Stewart Deutschmann**

Founder and CEO, LetterLogic, Class of 2009

## 2. Become purpose driven

### The power of purpose to transform organizations

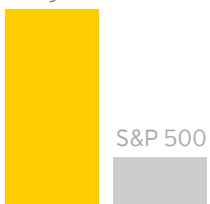
What do we mean by purpose? It's a short statement that answers the question: Why do we do what we do? A purpose is always inspirational, aspirational and outward facing. It gives a company a unifying theme and focus, extending to all its activities, stakeholder relationships and communications. A great purpose connects with people emotionally and is grounded in humanity.

#### **Purpose = profits.**

Scaling big can bring a big new concern. How can the business continue to expand while maintaining the core values and culture that have made it successful? The answer: a purpose. Evidence increasingly suggests purpose-driven organizations that really live that purpose outperform those without one, or with one in name only. Huge, well-known companies like IBM, Nike, Johnson & Johnson, Unilever, EY and General Electric are all examples of progressive global entities with a strong purpose – and the profits to match.

Moreover, recent studies have shown that a strong purpose drives growth and profitability. For instance, an investment in the Stengel 50 (a list of the world's 50 highest-performing companies that have a strong purpose) over the past 10 years would have been 400% more profitable than an investment in the S&P 500.<sup>6</sup>

Stengel 50



# 400%

more profitability on an investment in the Stengel 50 than the S&P 500 over the past 10 years.

The reasons are twofold. Having an authentic purpose helps build strong relationships between brands and their customers, employees, suppliers, shareholders and even regulators, if applicable. Consumers, for instance, often pay more for, and show more brand loyalty to, products that give them a sense they are doing good. And employees will go the extra mile for an employer when they feel inspired by that employer.

A purpose also helps drive trust and safety, which in turn fosters collaboration and innovation. When an organization activates and lives its purpose, it builds trust with all of its stakeholders and a sense of safety for its employees. These two factors are absolutely crucial for innovation. True innovation requires failure. Employees who trust their company feel safer trying new ideas and reaching beyond prescribed roles and established processes. And stakeholders who trust a company will accept its failures.

As a result, purpose-led businesses tend to have happier customers, more engaged employees and, if they are public companies, higher stock prices.<sup>7</sup>

Sherry Stewart Deutschmann, Founder and CEO of LetterLogic, built her company on employee centricity, establishing unusual levels of transparency and employee support. The result is uncommon worker loyalty that translates into extremely high customer satisfaction. She tells us that what inspires her is



“the knowledge that through our culture, we have created something that is a lot bigger than we are – than our company is. We are showing the world that you can put employees first and still take great care of your shareholders and the planet.”

### Women with purpose

Dr. Lisa Williams, Founder and CEO of the World of EPI, a leading multicultural toy manufacturing and design firm, defines her company’s purpose as “to live in a world where every child knows their true beauty and intelligence.”

“Our purpose guides us in every item we create and every decision we make,” says Dr. Williams. “We are always envisioning a little girl on the floor playing with her dolls. We ask ourselves: How can we give her a positive play experience while revealing her innate beauty? Our purpose guides everything.”

Though not all Entrepreneurial Winning Women have yet crafted an explicitly stated purpose, the vast majority have a clear value system that underpins everything they do. Nearly 40% say their business goals are both economic and social, and solving a social problem was among the top five reasons for starting their business. The number one motivator was seeing a need for a product or service. Through that product or service, the company connects with its customers, suppliers and employees.

As Dr. Williams says: “I think people feel our passionate purpose. I hear people say, ‘There is something different about your products.’ I believe it’s because they intuitively sense our authentic purpose. They feel our passion.”

### Culture that persists

As a business grows, its culture becomes more and more important. A great company culture attracts high-performing

**“I think people feel our passionate purpose. I hear people say, ‘There is something different about your products.’ I believe it’s because they intuitively sense our authentic purpose. They feel our passion.”**

**Dr. Lisa Williams**

Founder and CEO, World of EPI, Class of 2013

employees and keeps them engaged, and it drives productivity, innovation and knowledge sharing.

In some ways, a clear purpose is a stand-in for the entrepreneur. It allows the spirit and values of that entrepreneur to permeate the organization, infusing work with larger meaning, aligning strategic decisions and daily activities to a North Star and guiding employees in their decision-making and daily conduct.

In the beginning, the entrepreneur herself embodies the culture, setting the tone for everyone. As the business scales up, she needs to find a way to transmit that culture throughout the organization. The best way to protect the culture that has made the company successful is to instill the hiring process with validations of common values.

Attracting and retaining the right people to fill key management positions becomes more and more important as the business grows. The entrepreneur can no longer fill every leadership role – she needs to delegate more to other senior talent and trust them to take the company in the direction she intends.

# 40%



say their business goals are both economic and social, and solving a social problem was among the top five reasons for starting their business.

## Recruiting with a purpose

Since accelerated growth and employee recruitment typically go hand in hand, a clear purpose is an advantage when hiring ramps up. A purpose gives the entrepreneur and team a template for attracting and retaining people who align with their values and mission, and see themselves contributing not only to the bottom line but also to the larger purpose of the organization.

"Many people have joined HINT because they believe in and live our mission statement!" says Kara Goldin, Founder and CEO of HINT, a multimillion-dollar healthy beverage company. "Everyone at HINT passionately works to help people have a healthier lifestyle."

## Authenticity and activation

It's not enough just to have a defined purpose. Without activating and then living that purpose, the statement becomes merely another marketing slogan. How do you activate a purpose?

Business is really about the interaction between two human beings. Understand other people's perspectives and act accordingly using your purpose as your guide, then inspire your teams to do the same.

- ▶ Be a democratic leader, not a monarch. Don't make decisions in a vacuum – listen to your stakeholders.
- ▶ Commit acts of graciousness. Acknowledge publicly – in person, if possible – when someone has done well.
- ▶ Don't act in command and control mode. Work together with your employees and other stakeholders to preserve trust.
- ▶ Make sure all employees understand the company's purpose and their role in achieving it. Every group within a company should have a purpose that is nested into the larger purpose.

## Businesses with purpose

Call it a mission statement, a credo or a purpose, it's really all the same thing: a guiding light for company behavior. Here are some high-profile examples:

### Starbucks

"Inspire and nurture the human spirit – one person, one cup and one neighborhood at a time."

### Google

"To organize the world's information and make it universally accessible and useful."

### Nike

"To bring inspiration and innovation to every athlete in the world."

### EY

"Building a better working world."

### Whole Foods

"With great courage, integrity and love – we embrace our responsibility to co-create a world where each of us, our communities and our planet can flourish. All the while, celebrating the sheer love and joy of food."

### Unilever

"To make sustainable living commonplace."

“In my view, you have to be a purpose-driven company. People want to do well and do good. They want to understand how they’re making a difference in the world. Things change all the time, but your organization’s purpose transcends any individual product or service.”

**Mark A. Weinberger**  
EY Global Chairman & CEO



## Practical advice

# The how and why of purpose

Dr. Michael “Woody” Woodward, PhD,  
Organizational Psychologist and Executive Coach

*Let’s get practical. How do you find and implement a purpose? Good news: your company may already have an unspoken purpose, but you just haven’t clearly articulated it to yourself or your team. Dr. Woody provides us with insightful advice on understanding, codifying and embedding your purpose.*

### Why is purpose important?

Purpose provides a sense of focus and certainty. Successful entrepreneurs are unusually comfortable with navigating the unknown, but their teams may not be as comfortable. Translate this purpose into a vision that teams can rally around.

Purpose fosters connection between team members. Teams in entrepreneurial ventures will likely spend most of their waking hours working, so being connected to the work is critical to fostering engagement.

Values are the guiding principles that act as your guide, particularly in uncertain times. When faced with a decision where you or your team doesn’t have the requisite knowledge or experience, your values will act as your compass.

### How do you identify your purpose?

Gather the leadership team and staff away from day-to-day operations. Together, work through identifying and articulating the top five guiding values of the company. If these come from everyone, there will be a shared meaning.

### How can you maintain and uphold your purpose as you grow rapidly?

Institutionalize that which you take for granted. Be very deliberate in how you recruit, hire and acculturate people into your organization, or you will lose the essence of who you are as a company. It’s one thing when you are a small group, all dreaming together of taking on the world. It’s another thing entirely when you have an organization of 50 or 100 out there actually taking on the world.

**“When faced with a decision where you or your team doesn’t have the requisite knowledge or experience, your values will act as your compass.”**

## 3. Evolve your leadership style

### Becoming the leader your company needs now

There are some leadership qualities that all successful entrepreneurs share: grit, perseverance and boundless curiosity. But in all prosperous companies, how they express those qualities and what part of the business gets their attention will evolve as the company hits its inflection point and then takes off.

That's when we advise women entrepreneurs to start working on the business, not in the business. As their companies scale big, that concept becomes even more important and takes on new nuance: the necessity to transform as a leader and rethink your role. To continue growing, entrepreneurs must become the leader the business needs for each particular stage of growth – and that requires introspection, self-awareness and a keen sense of strategy.

80%



say they take a collaborative approach to strategic decision-making.

#### From doer to delegator to visionary

As their companies begin to scale, entrepreneurs must redirect their efforts from primary “doer” to delegating as they focus on growth.

Then, as their businesses begin to scale really big and they become more removed from day-to-day operations, entrepreneurs must change again. Now they must become strategic visionaries, seeing what lies ahead and being prepared to change course. They must protect the culture that they have built, and which inspires their employees and customers. And they must have the self-awareness and analytical skills to find and fill the gaps in leadership and business operations. To do those things, entrepreneurs need to know what they don't know and be willing to give up a measure of tactical control.

#### Abdicating the throne

To continue to grow and innovate, entrepreneurs need to work collaboratively and let go of the “command and control” thinking that may have helped them in the beginning. When entrepreneurs cede control and share responsibilities, they encourage growth, innovation, wealth and job creation.<sup>8</sup>



	CLASS 1	2	2a	3	3.1
A	105	210			
AA	117	215			

In order to scale big, entrepreneurs need to transform the business from monarchy to democracy. This is key to building the right environment – safety and trust – for innovation to flourish. It is a change for many entrepreneurs, but it’s one that women entrepreneurs appear naturally equipped to make. More than 80% of Entrepreneurial Winning Women take a collaborative approach to strategic decision-making, suggesting they are much more interested in strengthening the business than reigning over it.

This is also borne out in qualitative data from our study. Karri Bass, Co-founder and CEO of Illumination Research, related the leadership changes she’s made: “It has elevated the role I believe I need to play – more of setting the vision, enrolling others and creating the optimal organization to achieve our goals, vs. being too involved in the actual execution of our day-to-day work.”

### What’s a leader for?

**Protect the culture.** First and foremost, entrepreneurs need to make sure that what made them successful continues. They must sustain the core values and purpose that made employees and customers flock to the business in the first place. As we discussed previously, a well-defined and articulated purpose will help the business stay on track and in tune with its core mission. It will also help protect the brand and ensure it stays connected with its audience.

**Anticipate the market.** Great leaders make sure they’re spending time every day looking at where the market is headed. If they don’t, especially in this era of disruptive innovation, the business can very quickly become staid and even obsolete. Entrepreneurs need to carve out time to listen to their customers, to connect to their networks, to follow their industry’s news and trends – and to synthesize the information and strategize about how to stay ahead of the curve.

“Talent is so key. I noticed that when CEOs hire right, the growth accelerates. To me it’s the most important thing – next to innovation for market disruption – to scale growth.”

**Allison O’Kelly**

Founder and CEO, Mom Corps, Class of 2012

**Find the gaps.** Doing a gap analysis on a regular basis helps a leader find out what needs to be addressed in order to take the necessary steps to correct course. Entrepreneurs should enlist the help of their management teams and boards to conduct an effective gap analysis. Once they discover the areas that need work, they can tap those senior resources to help bridge the gaps by finding people with the expertise the entrepreneur lacks.

### Entrepreneur, know thyself

Becoming a leader who is adept at finding and filling gaps, infusing purpose and innovating for the next market shift requires some introspection. Cultivating the self-awareness, confidence and great communication skills necessary to scale big may not come naturally to all entrepreneurs, but these are traits that can be developed.

# 86%



say their confidence in their business and communication abilities is high.

**Self-awareness.** Leaders need to intimately understand their strengths and weaknesses. By enlisting the help of their customers, boards of directors and/or professional coaches, they can begin to illuminate any blind spots. Entrepreneurs are great at knowing what they want and what they can do, but they need to make sure they listen to others and consider differing opinions, too.

**Confidence.** We've established how important confidence is for women entrepreneurs to scale their businesses. It's also important to be able to project that confidence to current and potential employees and investors. If you don't believe in yourself, you can't expect anyone else to either.

Confidence and the drive that comes with it are key takeaways from the Entrepreneurial Winning Women program. As we mentioned, participants' confidence in their business and communication abilities is high: 86% are very or highly confident in dealing with tough business issues and 88% say they are excellent or good at pitching their businesses.

But their work in becoming great leaders is not over. In qualitative questions, many participants said they know they need to sharpen their leadership skills to better inspire teams, attract great talent and more effectively prioritize. They are turning to their stakeholders and to boards to help them develop in these key areas.

**Great communication skills.** Wonderful leadership skills will not help much if the entrepreneur can't effectively communicate her vision, purpose and strategy. To scale big, entrepreneurs must be able to motivate and inspire their customers, investors, employees and even the general public.

The connections, coaching and observations made through communities of peers are one way to improve leadership skills. "I saw first-hand the types of conversations CEOs have at the level I want to grow to," Kari Warberg Block, Founder and CEO of Earth-Kind, Inc., says. "This changed the way I communicate – the elevator speech, the way I brand my company, our employment brand, being more visible as the company leader. I hired a PR firm I met through the program, plus a branding agency to help me deploy what I've learned."

**"You've got to work at transformation. If you just think it's going to happen, it won't. You've got to work at making yourself better every day. And that means making mistakes."**

**Dr. Edward Marram**

Entrepreneur and Senior Lecturer, Babson College



“As you build your all-important advisory board, keep diversity in mind. Boards that lack a breadth of diversity – across gender, ethnicity, age, geography and experience – risk underperformance.”

**Herb Engert**

EY Americas Strategic Growth Markets Leader



## Practical advice

# Lean on your board to evolve your leadership<sup>10</sup>

Dr. Edward Marram, Entrepreneur and Senior Lecturer, Babson College

*With only 5% of Fortune 500 companies run by women,<sup>11</sup> there are exceedingly few role models for those making the leadership leap to big business. To successfully transform, women entrepreneurs must rely on support from elsewhere. Advisory boards and boards of directors can be invaluable.*

*Below is practical advice on accelerating leadership transformation by building an effective board, distilled from our interview with Dr. Edward Marram, Entrepreneur and Senior Lecturer at Babson College.*

### What can a board do for you?

**Elevate your standards.** A good board will work with you to both elevate your standards and elevate the problems that you face every day. Every founder-entrepreneur wakes up every day with problems. A board helps you understand which problems are important and then helps you fix them.

**Share knowledge and ideas.** In owner-managed companies, board members are there to share different thoughts and informed opinions. A board gives founders new thoughts, and new ideas, and helps when there's a problem.

**Find and hire great talent.** Your board can recommend top talent, help you with the interview process and develop the incentive plans needed to attract seasoned managers.

**Gain customers.** Board members can be there when you're meeting new big customers, to boost your confidence and credibility.

### How do you build an effective board?

1. **Don't ask people you already know.** You don't need anyone you know – you don't need your accountant, your lawyer, your friends, your family. You already have all that knowledge.
2. **Ask people in related industries.** Find people who know your industry, but are not in your business.

3. **Reach for the stars.** Ask people who are at the top of their industry to join your board. They are often the most valuable board members you'll have, and once you have one top board member, it's much easier to get the next one.
4. **Sell your story.** Sell your vision, just like you do when you're growing your business. Tell prospective members what you want them to do and what kind of help you need.
5. **Make sure the chemistry is right.** The chemistry has to be good between the board members and the founder and among the board members. You need to like and trust your board, and they need to like and trust you and each other.

### Should you pay board members?

No and yes. Board members should be paid when the company is making good money, but not until then. In the beginning, the money has to stay in the company, because it's a resource the company needs to grow. Once it's grown, you should pay a token amount.

### What's the incentive for a board member?

**Knowledge.** If the board member is in a related business, he or she may think, "I can learn something about this other business that is related to what I'm doing."

**Gratification.** Don't discount the satisfaction people get from helping others become successful.

**Excitement.** It's exciting to be part of the success of a new venture. Watching an entrepreneur and a business you believe in take off, and knowing you had a hand in it, feels great.

**Networking.** When there are other interesting people on the board, members network and learn from each other.

A woman's profile is shown in silhouette, facing right. Her hair is long and dark, and it is filled with a detailed, high-angle view of a cityscape, likely New York City, with numerous buildings and skyscrapers. The background is a soft, hazy sky with a warm, golden light, suggesting a sunrise or sunset. The overall mood is aspirational and forward-looking.

## The sky is no limit

Women-owned businesses have been growing at an accelerating rate over the past 18 years. We've seen great increases in the number of businesses started (up 74%), in total employment rates of this group (up 12%) and in total revenues generated by women entrepreneurs (up 79%).<sup>12</sup>

Among the Entrepreneurial Winning Women, the growth is also impressive. Compound annual revenue growth rates for their companies average 20%, with some achieving 50% in their second year in the program. And yet, there is still further to go to close the gap in size between companies founded by men and those launched by women entrepreneurs. We've seen first-hand that the "5 Ways to Win" work. They are a proven and time-tested approach to helping entrepreneurs scale their businesses. We will continue to advocate that approach for women entrepreneurs – but it's time to build upon it.

Three additional adaptations – an authentic purpose, a community of peers and a transformed leadership style – are making the difference in helping Entrepreneurial Winning Women multiply their growth. And as they do, they become part of the greater entrepreneurial ecosystem. They themselves become the role models they didn't have – helping future generations of women entrepreneurs know, "If she did it, so can I."



## Endnotes

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- 3 *Action Strategies to Support Women's Enterprise Development*, Taskforce for Women's Business Growth, November 2011.
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- 6 The Stengel 50: result of study conducted by Milward Brown and Jim Stengel that established a cause and effect relationship between a brand's ability to serve a higher purpose and its financial performance.
- 7 "Does corporate culture drive financial performance?" Forbes.com, 10 February 2011.
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- 9 Suren G. Dutia, *Primer for Building an Effective Board for Growing Startup Companies*, Ewing Marion Kauffman Foundation, May 2014.
- 10 EY's interview with Dr. Edward Marram has been condensed and paraphrased from its original format.
- 11 "Women CEOs of the Fortune 1000," Catalyst Inc., 14 July 2014.
- 12 *The 2015 State of Women-Owned Businesses Report*, American Express OPEN, 2015.

# Around the world

The EY Entrepreneurial Winning Women program is expanding around the world, with programs launching or in development across every continent.



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